

ESTTA Tracking number: **ESTTA87313**

Filing date: **06/27/2006**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92045849
Party	Defendant Primepoint, L.L.C. Primepoint, L.L.C. 163 Route 130, Building IC Bordentown, NJ 08504
Correspondence Address	Primepoint, L.L.C. 163 Route 130, Building IC Bordentown, NJ 08504
Submission	Motion to Suspend for Civil Action
Filer's Name	Jordan LaVine
Filer's e-mail	jordan.lavine@flastergreenberg.com
Signature	/Jordan LaVine/
Date	06/27/2006
Attachments	primepaymotionsuspension.pdf ( 4 pages )(13894 bytes ) primepaycomplaint.pdf ( 21 pages )(581945 bytes ) primepayanswer.pdf ( 13 pages )(286265 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

PRIMEPAY, INC.,

Petitioner,

v.

PRIMEPOINT, LLC,

Respondent.

Cancellation No. 92045849

**MOTION FOR SUSPENSION IN VIEW OF CIVIL PROCEEDING**

Pursuant to 37 C.F.R. § 2.117(a), Primepoint, LLC (“Respondent”) moves for a suspension of this proceeding pending the final determination of a related civil proceeding between the parties that will have a direct bearing on the issues before the Board. A copy of the relevant pleadings from the related civil proceeding are included with this motion.

The parties are currently engaged in Civil Action No. 1:06-CV-1551 (FLW-JBR) pending in the U.S. District Court for the District of New Jersey. In the civil proceeding, after receiving cease and desist letters from counsel for Petitioner, Respondent filed, on April 3, 2006, a Complaint asking the District Court in New Jersey to issue a declaratory judgment that Respondent’s “Primepoint” trademark does not infringe Petitioner’s “Primepay” and related trademarks. Petitioner responded to Respondent’s complaint on April 25, 2006 and filed counterclaims against Respondent for trademark infringement and unfair competition under the Lanham Act, for state and common law unfair competition, and a counterclaim that Respondent’s trademark registration for the mark “Primepoint” was procured through fraud.

In the instant cancellation proceeding, as it does in the above-discussed Civil Proceeding, Petitioner alleges the following: (1) that there is a likelihood of confusion between Petitioner's "Primepay" and related marks and Respondent's "Primepoint" mark and (2) that Respondent procured its trademark registration through fraud. Thus, the claims in the cancellation proceeding and the civil proceeding are substantially identical.

Moreover, in the "Prayer for Relief" of its Counterclaims, Petitioner asks the District Court, *inter alia*, for an order finding that Respondent's "Primepoint" trademark infringes Petitioner's marks and enjoining Respondent's further use of the mark "Primepoint" and any other mark that contains the word "Prime." A copy of Respondent's Complaint and Petitioner's Answer and Counterclaims are included herewith.

There is no question that the outcome of the ongoing civil action between the parties will have a bearing on the outcome of the 2(d) and fraud claims currently before the Board in this matter. Accordingly, as the civil action between the parties in New Jersey involves the very same issues as those before the Board and the decision of the Federal district court is binding upon the Board, Respondent submits that a suspension of the instant proceeding is warranted. *See Other Telephone Co. v. Connecticut National Telephone Co.*, 181 U.S.P.Q. 125 (TTAB 1974) (decision in civil action for infringement an unfair competition would have bearing on outcome of Section 2(d) claim before Board).

Finally, contrary to certain prior cases before the Board wherein motions to suspend were denied when the Board proceeding had progressed more significantly toward a final decision, this motion is being brought before Respondent's deadline for responding to the Petition for Cancellation.

For the foregoing reasons, Respondent requests that this proceeding be suspended pending the outcome of the Civil Action between the parties in the U.S. District Court for the District of New Jersey.

Respectfully submitted,

Dated: June 27, 2006

s/Jordan LaVine/

Jordan LaVine, Esq.  
Jae Kim, Esq.  
FLASTER/GREENBERG P.C.  
1628 JFK Boulevard  
Suite 1500  
Philadelphia, PA 19103  
(215) 279-9393  
(279) 279-9394 (facsimile)

Attorneys for Respondent, Primepoint, LLC

**CERTIFICATE OF SERVICE**

I, Jordan LaVine, hereby certify that on the 27th day of June, 2006, pursuant to the requirements of the Federal Rules of Civil Procedure, Respondent's Motion for Suspension in View of Civil Proceedings was served upon the following counsel of record for Petitioner via first-class mail postage prepaid.

Mark Lebow, Esq.  
Young & Thompson  
745 South 23rd Street, Suite 200  
Arlington, Virginia 22202

s/Jordan LaVine/  
June 27, 2006

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
CAMDEN VICINAGE**

PRIMEPOINT, L.L.C.	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No.
	:	<b><u>JURY TRIAL DEMANDED</u></b>
PRIMEPAY, INC.	:	
Defendant.	:	

**COMPLAINT FOR DECLARATORY RELIEF**

Plaintiff, Primepoint, LLC ("Plaintiff" or "Primepoint") brings this Complaint against PrimePay, Inc. ("Defendant" or "PrimePay") for a declaratory judgment that Plaintiff's use of the mark "Primepoint" does not infringe the Defendant's alleged trademark rights in the mark "PrimePay" or any of its other alleged trademark rights in marks containing the prefix "Prime," *e.g.*, "PrimeTax," "PrimeExports" or "PrimeScreen." In support of its Complaint, Plaintiff alleges the following.

**NATURE OF THE ACTION**

1. This is an action for a Declaratory Judgment under 28 U.S.C. § 2201. Plaintiff seeks a declaration from this Court that its longstanding and continued use of "Primepoint": (1) does not infringe Defendant's alleged trademark rights under 15 U.S.C. § 1114(1)(a); (2) does not constitute false designation of origin under 15 U.S.C. § 1125(a); and (3) does not constitute unfair competition under state law. Plaintiff also seeks a declaration of equitable estoppel prohibiting the enforcement against Plaintiff of any trademark rights Defendant claims it has in

any mark incorporating the word "Prime." Finally, Plaintiff seeks its attorneys' fees, expenses, and costs incurred in this action, and any other relief the Court deems just and proper.

### **JURISDICTION AND VENUE**

2. This Court has original jurisdiction over Plaintiff's federal claims pursuant to 28 U.S.C. § 1331, § 1338, and § 2201.

3. This Court has supplemental jurisdiction over Plaintiff's non-federal claims, pursuant to 28 U.S.C. § 1367, because these claims are so related to the federal claims that they form a part of the same case or controversy under Article III of the United States Constitution.

4. This Court also has original jurisdiction over this entire action, pursuant to 28 U.S.C. § 1332, because this is an action between citizens of different states and the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

5. This Court has personal jurisdiction over Defendant because of, *inter alia*, (1) Defendant's threats of litigation to Plaintiff within this State and District, (2) on information and belief, Defendant has transacted business within this State and District, and (3) Defendant has otherwise made and established contacts with this State and District sufficient to permit the exercise of personal jurisdiction.

6. Venue is proper in this District, pursuant to 28 U.S.C. § 1391(b) and (c), because a substantial part of the events or omissions giving rise to these claims occurred in this District and a substantial part of the property that is the subject of the action is situated in this District.

### **THE PARTIES**

7. Plaintiff Primepoint, L.L.C. is a limited liability company organized and existing under the laws of the State of New Jersey with its principal place of business at 163 Route 130, Building 1C, Bordentown, NJ 08505.

8. On information and belief, Defendant PrimePay, Inc. is a corporation organized and existing under the laws of the Commonwealth of Virginia with its principal place of business at 596 Lancaster Avenue, Malvern, PA 19355.

**FACTS COMMON TO ALL CLAIMS FOR RELIEF**

9. Since at least as early as December 2000, Plaintiff has provided its customers with various banking and payroll services in the nature of payroll processing and payroll tax services through proprietary business methods and software.

10. Since at least as early as December of 2000, Plaintiff has been continuously and exclusively using with aforementioned products and services, in a very specific design format, the trademark and business name "Primepoint" that is the subject of this proceeding, *inter alia*. A reproduction of Plaintiff's "Primepoint" trademark is shown in Exhibit A hereto.

12. On August 7, 2001, Plaintiff filed an application to register its "Primepoint" trademark with the U.S. Patent and Trademark Office for "financial services, namely banking and payroll services." Plaintiff's mark was published for third party opposition on February 18, 2003 and no oppositions were filed against Plaintiff's application by Defendant or any other third party. The U.S. Patent and Trademark Office issued a registration (Registration No. 2,715,127) to Plaintiff for its "Primepoint" mark on May 13, 2003. A copy of Plaintiff's trademark registration for its "Primepoint" mark is attached hereto as Exhibit B. Plaintiff's "Primepoint" registration is valid and subsisting.

13. On information and belief, Defendant provides under the trademark "PrimePay" a variety of business payroll services, as fully described at its Internet website located at [www.primepay.com](http://www.primepay.com). Defendant owns various registrations for its alleged "PrimePay" trademark in the U.S. Patent and Trademark Office and owns other registrations for marks that



begin with the word “Prime” for a variety of financial services, including payroll services.

Defendant does not own any registrations for the mark “Primepoint.”

14. During the application process for Plaintiff’s “Primepoint” trademark in the U.S. Patent and Trademark Office, none of Defendant’s trademark applications or registrations were cited as an obstacle to registration of Plaintiff’s “Primepoint” trademark.

15. Since at least as early as Plaintiff’s first use of its “Primepoint” mark in December 2000, there have not been any instances of actual confusion between Plaintiff’s mark and Defendant’s “PrimePay” mark or any of Defendant’s other alleged marks beginning with the word “Prime.”

16. On February 10, 2006, Defendant’s counsel sent a cease and desist letter to Plaintiff’s Chief Executive Officer, Alexander Bochwell, alleging that Plaintiff’s use of the mark “Primepoint” constituted infringement of Defendant’s “PrimePay” and related trademarks and created confusion in the minds of consumers with respect to the origin of the payroll, tax, and related business services. In the letter, counsel for Defendant demanded that Plaintiff “immediately cease all use of the word Primepoint and PrimeTax in connection with the goods or services covered or related to PrimePay’s trademarks” and asked for an “assurance of compliance” by February 22, 2006. A copy of the February 10, 2006 letter is attached hereto as Exhibit C.

17. Following its receipt of the February 10, 2006 letter, Plaintiff forwarded the letter to its outside counsel and asked its counsel to contact counsel for Defendant. Plaintiff’s counsel subsequently had a conversation with counsel for Defendant wherein he indicated that a response to Defendant’s counsel would be forthcoming. In the conversation, counsel for Plaintiff indicated that Plaintiff was prepared to cease its occasional use of the “PrimeTax” designation.

18. Notwithstanding the assurance provided by Plaintiff's counsel to Defendant's counsel by telephone and notwithstanding that Plaintiff was now represented by counsel in the matter, Defendant's counsel wrote *directly to Plaintiff*, in a letter dated March 17, 2006, again demanding that it cease its use of the "Primepoint" trademark. In the letter, Defendant's counsel stated "if we do not have a response by Tuesday, March 28, PrimePay may elect to seek legal remedies without further attempts to resolve the matter amicably." A copy of the March 17, 2006 letter is attached hereto as Exhibit D.

19. Defendant's February 10, 2006 and March 17, 2006 letters and its oral communications to Plaintiff's counsel give rise to a reasonable apprehension by Plaintiff of imminent legal action by Defendant relating to Plaintiff's continued use of the trademark and business name "Primepoint."

20. Defendant's threatened litigation interferes with Plaintiff's valid and longstanding trademark rights in its "Primepoint" trademark and business name and its legitimate business operations.

**COUNT I**  
**DECLARATION OF NON-INFRINGEMENT UNDER THE LANHAM ACT**

21. Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs of this Complaint.

22. A justifiable and actual controversy exists before this Court with respect to whether Plaintiff's continued use of the mark "Primepoint" infringes any of Defendant's alleged rights under the Lanham Act, 15 U.S.C. § 1051 et. seq.

23. Plaintiff's continued use of the trademark "Primepoint" is not likely to cause confusion as to the source or sponsorship of Plaintiff's products and services or Defendant's "PrimePay" services.

24. Plaintiff's "Primepoint" trademark is different in sight, sound and commercial meaning from Defendant's "PrimePay" and related marks. The only shared component of the marks "Primepoint" and "PrimePay," namely the word "Prime," is a term that is widely used by unrelated entities throughout the financial services industry such that the sophisticated purchasers in the relevant industry will not be confused between the parties' concurrent use of the term "Prime," particularly where the respective marks are otherwise different. The parties' concurrent use of their marks since at least as early December 2000 without any instances of actual confusion between the marks attests to the fact that there is no likelihood of confusion between the marks.

25. Plaintiff's continued use of the trademark "Primepoint" does not infringe any rights of Defendant under 15 U.S.C. § 1114(1)(a).

26. Plaintiff requests a declaration from the Court that its continued use of the "Primepoint" mark does not infringe any of Defendant's alleged rights under 15 U.S.C. § 1114(1)(a).

**COUNT II**  
**DECLARATION OF NO FALSE**  
**DESIGNATION OF ORIGIN UNDER THE LANHAM ACT**

27. Plaintiff repeats and re-alleges each and every allegation of the preceding paragraphs of this Complaint.

28. A justifiable and actual controversy exists before this Court with respect to whether Plaintiff's continued use of its "Primepoint" trademark and business name infringes any of Defendant's alleged rights under 15 U.S.C. § 1125(a).

29. Plaintiff's continued use of its "Primepoint" trademark and business name is not likely to cause confusion as to source of sponsorship and does not constitute a false designation of origin under 15 U.S.C. § 1125(a).

30. As discussed in paragraph 24, *supra*, Defendant lacks any exclusive trademark rights in the only shared portion of the parties' respective marks, namely "Prime," because the term is so commonly used in the relevant industry.

31. Plaintiff requests a declaration from the Court that its continued use of the "Primepoint" trademark and business name does not constitute unfair competition and/or a false designation of origin under 15 U.S.C. § 1125(a).

**COUNT III**  
**DECLARATION OF NO UNFAIR COMPETITION UNDER STATE COMMON LAW**

32. Plaintiff repeats and re-alleges each and every allegation of the preceding paragraphs of this Complaint.

33. A justifiable and actual controversy exists before this Court with respect to whether Plaintiff's continued use of its "Primepoint" trademark and business name constitutes unfair competition under state common law.

34. Plaintiff's continued use of the trademark "Primepoint" is not likely to cause confusion as to the source or sponsorship of Defendant's "PrimePay" products and services or Defendant's services.

35. Plaintiff requests a declaration from the Court that its continued use of the "Primepoint" trademark and business name does not violate state common law.

**COUNT IV**  
**DECLARATION OF EQUITABLE ESTOPPEL PROHIBITING ENFORCEMENT**

36. Plaintiff repeats and re-alleges each and every allegation of the preceding paragraphs of this Complaint.

37. Plaintiff relied to its detriment on Defendant's unreasonable delay in asserting its claims against Plaintiff. Defendant's delay in asserting its claims is not justified or excused in law or in equity.

38. By its conduct complained of herein, Defendant has relinquished any and all rights it might ever have had to object to the use by Plaintiffs of the "Primepoint" trademark and business name or any other trademark or name incorporating the word "Primepoint."

39. Plaintiff requests a declaration from this Court that Defendant is barred by the equitable doctrines of laches, estoppel and/or acquiescence from challenging Plaintiff's continued use of the "Primepoint" trademark and business name or any other trademark or name incorporating the word "Primepoint."

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment as follows:

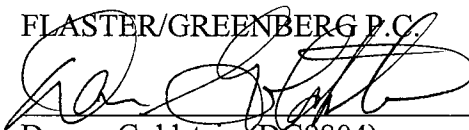
- A. Declaring that Plaintiff's continued use of "Primepoint" does not:
- (1) Constitute trademark infringement under 15 U.S.C. § 1114(1)(a);
  - (2) Constitute false designation of origin under 15 U.S.C. § 1125(a); or
  - (3) Constitute unfair competition under state common law;
- B. Declaring that Defendant is barred by the equitable doctrines of laches, estoppel and/or acquiescence from challenging Plaintiff's continued use of the "Primepoint" trademark and business name or any other name incorporating the word "Primepoint."
- C. Permanently enjoining Defendant and its officers, agents, servants, employees and attorneys, and all persons in active concert or participation with any of them in challenging Plaintiff's use of the "Primepoint" trademark and business name or any other name incorporating the word "Primepoint."
- D. Finding this case to be exceptional pursuant to 15 U.S.C. § 1117(a);
- E. Awarding Plaintiff its attorneys' fees, expenses and costs incurred in this action pursuant to 15 U.S.C. § 1117(a) and 28 U.S.C. § 1920.
- F. Awarding to Plaintiffs such further relief as this Court deems just and proper.

**JURY TRIAL DEMAND**

Plaintiffs demand a trial by jury on all claims as to which a jury trial may be had.

Respectfully submitted,

FLASTER/GREENBERG P.C.

A handwritten signature in black ink, appearing to read 'Darren Goldstein', is written over a horizontal line.

Darren Goldstein (DG9804)

Morgan Zucker (MZ9299)

1810 Chapel Avenue West

Cherry Hill, NJ 08002-4609

Tel 856-661-1900

Fax 856-661-1919

Jordan A. LaVine

1628 John F. Kennedy Boulevard

Suite 1500

Philadelphia, PA 19103

Tel 215.279.9389

Fax 215.279.9394

ATTORNEYS FOR PLAINTIFF, PRIMEPOINT, L.L.C.

( 199096 )



primapoint



Exhibit B

**Int. Cl.: 36**

**Prior U.S. Cls.: 100, 101 and 102**

**United States Patent and Trademark Office**

**Reg. No. 2,715,127**

**Registered May 13, 2003**

**SERVICE MARK  
PRINCIPAL REGISTER**



PRIMEPOINT, L.L.C. (NEW JERSEY LLC)  
163 ROUTE 130, BUILDING IC  
BORDENTOWN, NJ 08504

FIRST USE 12-0-2000; IN COMMERCE 12-0-2000.

SER. NO. 76-295,690, FILED 8-7-2001.

FOR: FINANCIAL SERVICES, NAMELY BANK-  
ING AND PAYROLL SERVICES, IN CLASS 36 (U.S.  
CLS. 100, 101 AND 102).

SHARI SHEFFIELD, EXAMINING ATTORNEY



# YOUNG & THOMPSON

International Patent & Trademark Law

*Established 1903*

Emil Bönnelycke  
1875-1936

William H. Young  
1902-1958

Irvin S. Thompson  
1903-1979



February 10, 2006

Alexander Bochwell  
Managing Director  
Primepoint LLC  
163 US Highway 130, Suite 1C  
Bordentown, NJ 08505

## BY FEDERAL EXPRESS

Re: PrimePay, Inc. - Primepoint LLC  
Our Ref.: 5541-219

Dear Mr. Bochwell:

We represent PrimePay, Inc. which owns a family of trademarks covering goods and services in the payroll and business services industry, used in the Mid-Atlantic region and throughout the United States. In addition to its registered trademark PRIMEPAY®, PrimePay, Inc. owns a trademark for PRIMETAX®, PRIMELINK®, PRIMELINK+®, PRIMEPERKS®, PRIMECOMP®, PRIMEFLEX®, PRIMEXPORTS®, PRIMEXPRESS®, PRIMEOFFICE™, PRIMESCREEN®, PRIMECLOCK®, PRIMEUCC®, and RELAX, YOU'R WITH PRIMEPAY®.

Your company's use of the word Primepoint and/or PrimeTax for similar business-related services by Primepoint LLC constitutes infringement of our client's trademarks and creates confusion in the minds of consumers with respect to the origin of payroll, tax, and related business services.

745 South 23rd Street  
Arlington, Virginia 22202  
(703) 521-2297

Website: [www.young-thompson.com](http://www.young-thompson.com)  
Facsimile: (703) 685-0573 • (703) 979-4709  
Licensing & Litigation Fax: (703) 521-8231


Alexander Bochwell  
February 10, 2006  
Page 2 of 2

Accordingly, this is to request that Primepoint LLC immediately cease all use of the word Primepoint and PrimeTax in connection with the goods or services covered by or related to PrimePay's trademarks. The request also extends to the use of the word "Prime" or variants thereof in connection with an adjacent word or term offering similar or related services

We believe that our client has the legal right to require Primepoint LLC to cease its use of Primepoint, Primetax, and any similarly confusing appellation for its products and/or services. However, we also note that you are offering services under the name of Delaware Valley Payroll Inc. and openly advertising your services under this name. PrimePay has no objection to the continued conduct of your business under the Delaware Valley name, a name already familiar to your customers.

In order to protect the value of its Mark, the owner of a registered mark necessarily must assert its exclusive rights against unauthorized users, including in court if infringement is not terminated. However, with that being said, PrimePay wants to give you an opportunity to respond prior to initiating legal action. Accordingly, we request your reply and assurance of compliance by February 22, 2006.

Sincerely yours,



Douglas V. Rigler

DVR/kj

# YOUNG & THOMPSON

International Patent & Trademark Law

*Established 1903*

Emil Bönnelycke  
1875-1936

William H. Young  
1902-1958

Irvin S. Thompson  
1903-1979



February 10, 2006

Alexander Bothwell  
President  
Delaware Valley Payroll Inc.  
DV Payroll & HR  
163 US Highway 130, Suite 1C  
Bordentown, NJ 08505

## BY FEDERAL EXPRESS

Re: PrimePay, Inc. - Delaware Valley Payroll Inc.  
Our Ref.: 5541-219

Dear Mr. Bothwell:

We represent PrimePay, Inc. which owns a family of trademarks covering goods and services in the payroll and business services industry, used in the Mid-Atlantic region and throughout the United States. In addition to its registered trademark PRIMEPAY®, PrimePay, Inc. owns a trademark for PRIMETAX®, PRIMELINK®, PRIMELINK+®, PRIMEPERKS®, PRIMECOMP®, PRIMEFLEX®, PRIMEXPORTS®, PRIMEXPRESS®, PRIMEOFFICE™, PRIMESCREEN®, PRIMECLOCK®, PRIMEUCC®, and RELAX, YOU'R WITH PRIMEPAY®.

Your company's use of the word Primepoint and/or PrimeTax for similar business-related services by Delaware Valley Payroll Inc. constitutes infringement of our client's trademarks and creates confusion in the minds of consumers with respect to the origin of payroll, tax, and related business services.

745 South 23rd Street  
Arlington, Virginia 22202  
(703) 521-2297

Website: [www.young-thompson.com](http://www.young-thompson.com)  
Facsimile: (703) 685-0573 • (703) 979-4709  
Licensing & Litigation Fax: (703) 521-8231

Alexander Bothwell  
February 10, 2006  
Page 2 of 2

Accordingly, this is to request that Delaware Valley Payroll Inc. immediately cease all use of the word Primepoint and PrimeTax in connection with the goods or services covered by or related to PrimePay's trademarks. The request also extends to the use of the word "Prime" or variants thereof in connection with an adjacent word or term offering similar or related services

We believe that our client has the legal right to require Delaware Valley Payroll Inc. to cease its use of Primepoint, Primetax, and any similarly confusing appellation for its products and/or services. However, we also note that you are offering services under the name of Delaware Valley Payroll Inc. and openly advertising your services under this name. PrimePay has no objection to the continued conduct of your business under the Delaware Valley name, a name already familiar to your customers.

In order to protect the value of its Mark, the owner of a registered mark necessarily must assert its exclusive rights against unauthorized users, including in court if infringement is not terminated. However, with that being said, PrimePay wants to give you an opportunity to respond prior to initiating legal action. Accordingly, we request your reply and assurance of compliance by February 22, 2006.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "DVR" followed by a stylized flourish.

Douglas V. Rigler

DVR/kj

Exhibit D



## YOUNG & THOMPSON

International Patent & Trademark Law

March 17, 2006

*Established 1903*

Emil Bönnelycke  
1875-1936

William H. Young  
1902-1958

Irvin S. Thompson  
1903-1979



Alexander Bothwell  
President  
Delaware Valley Payroll Inc.  
DV Payroll & HR  
163 US Highway 130, Suite 1C  
Bordentown, NJ 08505

### BY FEDERAL EXPRESS

Re: PrimePay, Inc. - Delaware Valley Payroll Inc.  
Our Ref.: 5541-219

Dear Mr. Bothwell:

I wrote to you on February 10, 2006, requesting that your companies cease use of the word Primepoint and/or PrimeTax because your use constitutes infringement of our client, PrimePay, Inc.'s trademarks and creates confusion in the minds of consumers with respect to the origin of services.

I subsequently was contacted by an attorney at the firm Flaster Greenberg in Cherry Hill, N.J. on your behalf. The attorney indicated that your companies are willing to abandon the use of the term PrimeTax in conjunction with your businesses, but that he requested more time to respond to the request regarding Primepoint.

Unfortunately, I cannot locate my note with the name of the attorney at Flaster Greenberg. Since I understand that your companies are now represented by that firm, all communications should be directed to the firm and not to you or your company. Accordingly, I ask that you promptly send this letter to the appropriate attorney and also remind me of his name. Please inform him that I apologize for misplacing his name. For his attention, please indicate that more than two weeks have passed since he telephoned me and we have had no further response. Accordingly, if we do not have a response by Tuesday, March 28, PrimePay may elect to seek legal remedies without further attempts to resolve this matter amicably. PrimePay remains willing to consider any specific information which Delaware Valley may proffer, and as previously noted, we believe that a phase out of Primepoint would not have any substantive effect on Delaware Valley's business.

745 South 23rd Street  
Arlington, Virginia 22202  
(703) 521-2297

Website: [www.young-thompson.com](http://www.young-thompson.com)  
Facsimile: (703) 685-0573 • (703) 979-4709  
Licensing & Litigation Fax: (703) 521-8231

Alexander Bothwell  
President  
Delaware Valley Payroll Inc.  
March 17, 2006  
Page 2 of 2

Thank you for your assisting in routing this information through your attorney,  
and once I have his name, I will communicate directly with him.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Douglas V. Rigler". The signature is fluid and cursive, with a large initial "D" and "R".

Douglas V. Rigler

DVR/cam/kj

Douglas V. Rigler (Lead Attorney)  
[drigler@young-thompson.com](mailto:drigler@young-thompson.com)  
Mark Lebow, Esq.  
[mlebow@young-thompson.com](mailto:mlebow@young-thompson.com)  
YOUNG & THOMPSON  
745 South 23<sup>rd</sup> Street  
Arlington, VA 22202  
Tel: (703) 521-2297  
Fax: (703) 685-0573

Philip S. Burnham, II, Esquire  
[pburnham.bwlawfirm@verizon.net](mailto:pburnham.bwlawfirm@verizon.net)  
BURNHAM & WIESNER, LLC  
102 Browning Lane  
Suite C-2  
Cherry Hill, NJ 08003  
Tel: (856) 216-7766  
Fax: (856) 216-7233  
(PSB 9760)

Attorneys for Primepay, Inc.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
CAMDEN VICINAGE**

PRIMEPOINT, L.L.C.

Plaintiff,

v.

PRIMEPAY, INC.

Defendant,

Civil Action No. 1:06-CV-1551 (FLW-JBR)

**ANSWER AND COUNTERCLAIM**

Defendant, Primepay, Inc. ("Primepay"), of 596 Lancaster Avenue, Malvern, PA 19355 hereby responds to the Complaint of Plaintiff Primepoint, L.L.C. ("Primepoint") of 163 Route 130, Building 1C, Bordentown, NJ 08505. Primepay denies each allegation contained in the Complaint that is not expressly admitted below.

**NATURE OF THE ACTION**

1. This paragraph consists of conclusions of law as to which no response is required.

**JURISDICTION AND VENUE**

2. This paragraph consists of conclusions of law as to which no response is required.
3. This paragraph consists of conclusions of law as to which no response is required.
4. This paragraph consists of conclusions of law as to which no response is required.
5. Defendant Admits that jurisdiction is proper pursuant to reason 2, and Denies the remainder of this averment.

6. Admitted.

**THE PARTIES**

7. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 7 and on that basis denies them.

8. Admitted.

**FACTS**

9. Denied.
10. Denied.
11. No paragraph 11 was included in Plaintiff's Complaint.
12. Defendant Admits that the United States Patent and Trademark Office includes in its publicly available records a record showing that the Plaintiff owns a trademark with Registration No. 2,715,127 for PRIMEPOINT, filed on August 7, 2001, published for opposition on February 18, 2003, registered on May 13, 2003, and directed to "financial services, namely

banking and payroll services.” Defendant refers to these filings to the extent they show recordation of this information, but Defendant is without knowledge or information sufficient to form a belief as to the truth of the information contained therein and on that basis Denies such information. Defendant Denies that the Plaintiff’s PRIMEPOINT registration is valid. Defendant is without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations of paragraph 12 and on that basis Denies them.

13. Defendant Admits that it maintains a web site at the address [www.primepay.com](http://www.primepay.com) and that it owns various trademark registrations with the United States Patent and Trademark Office including two registrations for PRIMEPAY. Defendant Admits that it does not own any registrations for the mark PRIMEPOINT. Defendant Admits that it provides a variety of financial services, including but not limited to, business payroll services including payroll processing and payroll tax processing. Defendant Denies that its business is fully described on its website.

14. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 14 and on that basis denies them.

15. Denied.

16. Admitted that the Defendant’s counsel sent a letter to Alexander Bothwell on February 10, 2006. Defendant refers to that letter for an accurate statement of its contents and Denies the remainder of this allegation.

17. Defendant is without knowledge with regard to the first sentence and on that basis Denies the allegation. The remainder of the allegation is Admitted.

18. Denied, although Admitted that Defendant’s counsel wrote to Mr. Bothwell on March 17<sup>th</sup>, not having had any further reply from Plaintiff or its counsel, explaining that

Defendant's counsel was unable to locate the name of Plaintiff's counsel and requesting Plaintiff to forward the letter to its counsel. Defendant refers to the March 17<sup>th</sup> 2006 letter for an accurate statement of its contents.

19. Admitted.

20. Denied.

#### **COUNT I**

#### **DECLARATION OF NON-INFRINGEMENT UNDER THE LANHAM ACT**

21. Defendant refers to and incorporates its responses to each of the previous allegations.

22. Admitted.

23. Denied.

24. Denied.

25. Denied.

26. Defendant Denies that Plaintiff is entitled to the declaration requested in paragraph 26.

#### **COUNT II**

#### **DECLARATION OF NO FALSE DESIGNATION OF ORIGIN UNDER THE LANHAM ACT**

27. Defendant refers to and incorporates its responses to each of the previous allegations.

28. Admitted.

29. Denied.

30. Denied.

31. Defendant Denies that Plaintiff is entitled to the declaration requested in paragraph 31.

**COUNT III**  
**DECLARATION OF NO UNFAIR**  
**COMPETITION UNDER STATE COMMON LAW**

32. Defendant refers to and incorporates its responses to each of the previous allegations.

33. Admitted.

34. Denied.

35. Defendant Denies that Plaintiff is entitled to the declaration requested in paragraph 35.

**COUNT IV**  
**DECLARATION OF EQUITABLE**  
**ESTOPPEL PROHIBITING ENFORCEMENT**

36. Defendant refers to and incorporates its responses to each of the previous allegations.

37. Denied.

38. Denied.

39. Defendant Denies that Plaintiff is entitled to the declaration requested in paragraph 39.

**COUNTERCLAIM**

Defendant and Counterclaim Plaintiff, Primepay, Inc., asserts the following counterclaim:

41. This Court has subject matter jurisdiction over the Counterclaim and the relief requested in this pleading under 28 U.S.C. §§ 1331 and 1338.

42. This Court has supplemental jurisdiction over Defendant's non-federal counterclaims pursuant to 28 U.S.C. § 1367 and 15 U.S.C. § 1119.

43. This Court has personal jurisdiction over Primepoint, L.L.C. ("Counterclaim Defendant") because Counterclaim Defendant has its principal place of business in this jurisdiction and brought in this Court a Complaint to which this Counterclaim responds.

44. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and (c) because Counterclaim Defendant has its principal place of business in this jurisdiction.

45. Counterclaim Plaintiff is a Virginia corporation with its principal place of business in Malvern, Pennsylvania.

46. Counterclaim Plaintiff owns 14 registered trademarks that include the term PRIME.

47. Counterclaim Plaintiff owns registered trademark No. 2,056,092 for PRIMEPAY, filed June 1, 1995 for use with "providing business and financial management services."

48. Counterclaim Plaintiff owns registered trademark No. 2,294,575 for PRIMEPAY filed June 1, 1995 for use with "computerized systems comprised of computer hardware and computer software for use in business and financial management."

49. Counterclaim Plaintiff owns registered trademark No. 2,941,187 for PRIMEXPRESS, filed August 29, 2003 for use with "payroll processing services for others, namely obtaining payroll information electronically, processing and validating the information obtained, and providing payroll checks, direct deposit or reports therefrom."

50. Counterclaim Plaintiff owns registered trademark No. 2,932,453 for RELAX, YOU'RE WITH PRIMEPAY, filed August 29, 2003 for use with "payroll tax debiting services; tax payment processing services; worker's compensation insurance brokerage; retirement planning services" and "[u]nemployment cost control management and consulting, human resources management services."



51. Counterclaim Plaintiff owns registered trademark No. 2,988,503 for PRIMELINK, filed August 29, 2003 for use with “computer software for the transmission of payroll and employee data and information from a personal computer directly to a payroll employer services company.” The PRIMELINK trademark has been used in commerce by Counterclaim Plaintiff since 1995.

52. Counterclaim Plaintiff owns registered trademark No. 2,988,504 for PRIMELINK+, filed August 29, 2003 for use with “computer software for the transmission of payroll and employee data and information from a personal computer directly to a payroll employer services company.”

53. Counterclaim Plaintiff owns registered trademark No. 2,965,713 for PRIMETAX, filed August 29, 2003 for use with “tax payment processing services; payroll tax debiting services.” Counterclaim Plaintiff has used the PRIMETAX trademark in commerce since 1995.

54. Counterclaim Plaintiff owns registered trademark No. 2,965,714 for PRIMEFLEX, filed August 29, 2003 for use with “tax payment processing services; payroll tax debiting services.” Counterclaim Plaintiff has used the PRIMEFLEX trademark in commerce since 1995.

55. Counterclaim Plaintiff owns registered trademark No. 2,941,188 for PRIMEXPORTS, filed August 29, 2003 for use with “software for creating tax reports for use in a spreadsheet.”

56. Counterclaim Plaintiff owns registered trademark No. 2,965,715 for PRIMECOMP, filed August 29, 2003 for use with “workers compensation insurance, brokerage; electronic payroll processing services, namely, providing electronic processing of insurance claims and payment data drafts and reports.”

57. Counterclaim Plaintiff owns registered trademark No. 2,927,385 for PRIMEUCC, filed August 29, 2003 for use with “unemployment cost control services, namely, assessments, auditing and analysis of unemployment compensation rates and fees.”

58. Counterclaim Plaintiff owns registered trademark No. 2,927,595 for PRIMECLOCK, filed February 27, 2004 for use with “computerized and electronic time clocks; time clock accessories, namely, badges and swipe cards; software for use with time clocks; software programs used for data collection in the field of time and attendance or employees, project accounting, project time recording, project tracking, human resource tracking, tracking time and attendance, electronic time control and time clock data recording,” and “online time clock services, namely, providing time clock services for others via a global computer network.”

59. Counterclaim Plaintiff owns registered trademark No. 2,927,596 for PRIMESCREEN, filed February 27, 2004 for use with “pre-employment background screening.”

60. Counterclaim Plaintiff owns registered trademark No. 3,006,939 for PRIMEPERKS, filed August 29, 2003 for use with “conducting client credit reward and bonus programs in the field of payroll services in exchange for client business referrals.”

61. Counterclaim Plaintiff has established a trademark family with the dominant family characteristic being the term PRIME.

62. Upon information and belief Counterclaim Defendant is a limited liability company organized under the laws of New Jersey with its principal place of business in Bordentown, New Jersey.

63. Upon information and belief, Counterclaim Defendant provides payroll processing and payroll tax services under its registered trademark PRIMEPOINT and maintains the web site at the following address: <http://www.eprimepoint.com/>.

66. Counterclaim Defendant has used the trademark PRIMETAX in promotional materials for the tax-related payroll services it provides.

**COUNT I**  
**INFRINGEMENT UNDER THE LANHAM ACT**

68. Counterclaim Plaintiff repeats each allegation and averment of fact in the preceding paragraphs of this Counterclaim.

69. Counterclaim Defendant's use of PRIMETAX causes confusion and is likely to cause confusion with Counterclaim Plaintiff's registered trademark PRIMETAX.

70. Counterclaim Defendant's use of PRIMEPOINT causes confusion and is likely to cause confusion with Counterclaim Plaintiff's registered mark PRIMEPAY.

71. Counterclaim Defendant's use of PRIMETAX and PIMEPOINT respectively infringe Counterclaim Plaintiff's PRIMETAX and PRIMEPAY trademarks under 15 U.S.C. § 1114(1)(a).

72. Counterclaim Plaintiff has established a trademark family based on the dominant family term PRIME for at least services including payroll processing and payroll tax processing.

73. Counterclaim Defendant's use of PRIMETAX and PRIMEPOINT causes confusion and is likely to cause confusion with Counterclaim Plaintiff's family root PRIME.

74. Counterclaim Defendant's use of PRIMETAX and PIMEPOINT constitutes trademark infringement under 15 U.S.C. § 1114(1)(a) of Counterclaim Plaintiff's trademark family.

**COUNT II**  
**FALSE DESIGNATION OF ORIGIN UNDER THE LANHAM ACT**

75. Counterclaim Plaintiff repeats each allegation and averment of fact in the preceding paragraphs of this Counterclaim.

76. Counterclaim Defendant uses PRIMETAX and PRIMEPOINT in connection with payroll processing and payroll tax services.

77. Counterclaim Defendant's use of PRIMETAX and PRIMEPOINT causes confusion and is likely to cause confusion as to affiliation or origin of the services associated therewith.

78. Counterclaim Defendant's use of PRIMETAX and PIMEPOINT constitutes false designation of origin under 15 U.S.C. § 1125(a).

**COUNT III**  
**TRADEMARK INFRINGEMENT UNDER NEW JERSEY LAW**

79. Counterclaim Plaintiff repeats each allegation and averment of fact in the preceding paragraphs of this Counterclaim.

80. Counterclaim Defendant's use of PRIMETAX and PIMEPOINT respectively infringe Counterclaim Plaintiff's PRIMETAX and PRIMEPAY trademarks under the New Jersey Trademark Act, N.J.S.A. Title 56 Chapter 3

**COUNT IV**  
**TRADEMARK INFRINGEMENT UNDER NEW JERSEY COMMON LAW**

81. Counterclaim Plaintiff repeats each allegation and averment of fact in the preceding paragraphs of this Counterclaim.

82. Counterclaim Defendant's use of PRIMETAX and PIMEPOINT respectively infringe Counterclaim Plaintiff's PRIMETAX and PRIMEPAY trademarks under New Jersey common law.

**COUNT V**  
**COUNTERCLAIM DEFENDANT'S TRADEMARK IS INVALID**

83. Counterclaim Defendant's registration for its PRIMEPOINT trademark, Registration No. 2,715,127, indicates that it is used with "[f]inancial services, namely banking and payroll services."

84. Upon information and belief Counterclaim Defendant does not provide banking services.

85. Counterclaim Defendant's registration of PRIMEPOINT is invalid because it was procured through fraud on the United States Patent and Trademark Office in that Counterclaim Defendant filed a declaration with the Patent and Trademark Office to the effect that Counterclaim Defendant had been engaged in, was engaged in, and intended to be engaged in banking services.

**PRAYER FOR RELIEF**

WHEREFORE, Counterclaim Plaintiff, Primepay, Inc., prays this Court for a judgment including the following:

- i. Dismissal of Counterclaim Defendant's Complaint with prejudice.
- ii. A declaration that Counterclaim Plaintiff is not barred in asserting its Counterclaim by laches, equitable estoppel, or acquiescence.
- iii. A declaration that Counterclaim Defendant's use of PRIMEPOINT and PRIMETAX infringes the trademarks of Counterclaim Plaintiff.

- iv. A declaration that Counterclaim Plaintiff has established a trademark family with the dominant characteristic of the family being PRIME.
- v. A declaration that Counterclaim Defendant's use of PRIMEPOINT and PRIMETAX infringes Counterclaim Plaintiff's trademark family.
- vi. A declaration that Counterclaim Defendant's use of PRIMEPOINT and PRIMETAX constitutes false designation of origin.
- vii. A permanent injunction enjoining Counterclaim Defendant's use of PRIMEPOINT, PRIMETAX, and any word that includes the term PRIME in connection with payroll processing, payroll tax services, or other related business management services.
- viii. An award for monetary damages suffered by Counterclaim Plaintiff including but not limited to lost sales and lost profits.
- ix. An award of Counterclaim Defendant's profits arising directly or indirectly from violation of Counterclaim Plaintiff's trademark rights.
- x. An award of attorney's fees and costs.
- xi. Such other relief as the Court deems just under the circumstances.



Douglas V. Rigler (Lead Attorney)  
[drigler@young-thompson.com](mailto:drigler@young-thompson.com)  
Mark Lebow, Esq.  
[mlebow@young-thompson.com](mailto:mlebow@young-thompson.com)  
YOUNG & THOMPSON  
745 South 23<sup>rd</sup> Street  
Arlington, VA 22202  
Tel: (703) 521-2297  
Fax: (703) 685-0573

Philip S. Burnham, II, Esquire  
[pburnham.bwlawfirm@verizon.net](mailto:pburnham.bwlawfirm@verizon.net)  
BURNHAM & WIESNER, LLC  
102 Browning Lane  
Suite C-2  
Cherry Hill, NJ 08003  
Tel: (856) 216-7766  
Fax: (856) 216-7233  
(PSB 9760)

Attorneys for Primepay, Inc.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system on this 26<sup>th</sup> day of April, 2006. Any other counsel of record will be served by facsimile transmission and/or first class mail.

A handwritten signature in black ink, appearing to read "Philip S. Burnham, II", is written over a horizontal line.

Philip S. Burnham, II, Esquire  
Attorney for Defendant